



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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February 9, 2006

IN REPLY PLEASE

REFER TO FILE: **PJ-2**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
APPROVAL OF VARIOUS CONSTRUCTION CHANGE ORDERS
CONTRACT PW-12641; MCCARTHY/CLARK/HUNT, A JOINT VENTURE
SPECS. 6550; C.P. 70787
SUPERVISORIAL DISTRICT 1
4 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT
YOUR BOARD:**

Approve and authorize the Director of Public Works to execute the following change orders to:

1. Provide changes to the fuel oil tank system in the Central Plant for a not-to-exceed amount of \$500,000.
2. Relocate an existing storm drain pipe in the Central Plant for a not-to-exceed amount of \$187,000.
3. Modify the wall framing, door frames, and door hardware at cross corridor doors in the Inpatient Tower building for a not-to-exceed amount of \$300,000.
4. Provide additional structural steel and enlarged concrete pads to support exhaust stack duct work between the 9th and 10th Floors of the Inpatient Tower building for a not-to-exceed amount of \$170,000.

5. Modify the utilities infrastructure for the radiology equipment in the Diagnostic and Treatment building for a not-to-exceed amount of \$1,400,000.
6. Modify and increase the utilities infrastructure for the angiography system in the operating room of the Diagnostic and Treatment building for a not-to-exceed amount of \$210,000.
7. Add a water purification system in the Diagnostic and Treatment building for a not-to-exceed amount of \$610,000.

REASON AND SCOPE - RECOMMENDATION 1

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input checked="" type="checkbox"/>
Drawing coordination	<input type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Errors and omissions	<input type="checkbox"/>		

Assembly Bills 2481 and 1702 increased the requirements for leak detection and monitoring equipment for all underground storage tanks installed on/or after July 1, 2003. As a result, the architect revised the design of the Central Plant fuel oil tank to comply with the new regulations.

Approving the recommended action will allow the contractor to provide and install the fuel oil tank in accordance with the requirements of the above Assembly Bills. Cost negotiation with McCarthy/Clark/Hunt, a Joint Venture (MCH), has not been finalized. We estimate that the total cost will not exceed \$500,000 with no delay to the project completion date. However, if the final value of the change order exceeds the cost estimate, we will return to your Board for approval. Public Works issued proceed orders with a combined value of \$30,000 for a portion of this work to avoid delay impact, the value of which is included in the recommended \$500,000.

REASON AND SCOPE - RECOMMENDATION 2

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input type="checkbox"/>
Drawing coordination	<input type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Errors and omissions	<input checked="" type="checkbox"/>		

The construction documents specified the fuel oil tank to be installed on the north side of the Central Plant below the access ramp. This location is below the water table causing considerable tank uplift. Therefore, the architect proposed a new location for the tank at a higher elevation on the east side of the Central Plant. However, there is an existing 27-inch storm drain pipe in this location that will need to be relocated to implement this change.

Approving the recommended action will allow the contractor to relocate the storm drain pipe and to install the fuel oil tank in the new location. The total cost of the work has been negotiated between Public Works and the contractor for a not-to-exceed cost of \$187,000. Public Works issued a proceed order in the amount of \$150,000 for a portion of this work to avoid delay impact, the value of which is included in the recommended \$187,000.

REASON AND SCOPE - RECOMMENDATION 3

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input type="checkbox"/>
Drawing coordination	<input type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Errors and omissions	<input checked="" type="checkbox"/>		

The Contract documents for the Inpatient Tower building contain 60 locations where cross-corridor doors were located perpendicular to mechanical or elevator shaft walls. The standard door framing details did not address how to maintain the fire rating at the intersection of the walls, at the door pockets, or at the recessed door hardware. The architect issued revised drawings that included new details describing how to maintain the shaft fire rating at these locations. These details modified the door frames, hinges, and the dimensions of the door pockets in order to maintain the code required minimum door clearances.

Approving the recommended action will allow the contractor to modify the door and door pocket framing at these 60 locations as well as change the door frames and hinges. Negotiations of the change with MCH have not been finalized. These changes, associated with the drywall portion, were included in the Settlement Agreement approved by your Board on November 1, 2005. We estimate that the total cost will not exceed \$300,000 with no delay to the project completion date. However, if the final value of the change order exceeds the cost estimate, we will return to your Board for

approval. Public Works issued proceed orders in the amount of \$71,000 for a portion of this work to avoid delay impact, the value of which is included in the recommended \$300,000.

REASON AND SCOPE - RECOMMENDATION 4

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input type="checkbox"/>
Drawing coordination	<input type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Errors and omissions	<input checked="" type="checkbox"/>		

The Contract documents for the Inpatient Tower building included a detail for the support of exhaust stacks that rise from eight separate exhaust fans on the 9th Floor to the roof. This detail was not sufficient to support the gravity and lateral loads of the stacks. Additional details were provided that contained additional tube steel supports as well as additional beams that span the four separate mechanical wells where the exhaust fans are located. Further coordination of the exhaust fans locations and the stack supports revealed the need to expand the concrete housekeeping pads to allow the fans to align properly with the stacks.

Approving the recommended action will allow the contractor to provide and install the steel supports as well as modify the existing concrete pads. Cost negotiations with MCH have not been finalized. We estimate that the total cost will not exceed \$170,000 with no delay to the project completion date. However, if the final value of the change order exceeds the cost estimate, we will return to your Board for approval. Public Works issued a proceed order in the amount of \$120,000 for a portion of this work to avoid delay impact, the value of which is included in the recommended \$170,000.

REASON AND SCOPE - RECOMMENDATION 5

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input type="checkbox"/>
Drawing coordination	<input type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Errors and omissions	<input checked="" type="checkbox"/>	Equipment procurement process	<input checked="" type="checkbox"/>

During review of vendor shop drawings for radiological equipment in the Diagnostic and Treatment building, deficiencies were found in the construction documents related to the routing and capacity of electrical circuits. In other instances, equipment manufacturers

changed during the County's bidding and procurement process, which resulted in rooms not being designed per the new equipment manufacturer's specifications. Both scenarios required revisions to the infrastructure in support of the selected radiology equipment. These changes impact the following rooms and/or systems:

1. Radioscopic Fluoroscopy Special Procedure Rooms (8)
2. General Radiology (12)
3. Angiography Labs (3)
4. Catheter Lab (3)

Approving the recommended action will allow the contractor to make the necessary changes to the affected rooms. Cost negotiations with MCH have not been finalized. We estimate that the total cost of the changes for the above-listed 26 pieces of radiological equipment will not exceed \$1,400,000 with no delay to the project completion date. Approximately 20 percent of this cost is attributable to the equipment procurement process, and the balance is due to errors and omissions. However, if the final value of the change order exceeds the cost estimate, we will return to your Board for approval. Public Works has issued four individual proceed orders directly related to each of the four rooms/system types identified above, each with a value of \$150,000, to avoid delay impacts associated with the work described above. The value of these proceed orders is included in the recommended \$1,400,000.

REASON AND SCOPE - RECOMMENDATION 6

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input type="checkbox"/>
Drawing coordination	<input type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Errors and omissions	<input type="checkbox"/>	Equipment procurement process	<input checked="" type="checkbox"/>

The articulating angiography system, originally designed for the Operating Room 5F110 in the Diagnostic and Treatment building, is no longer being manufactured; and a replacement angiography system must now be procured, designed, and integrated into the new facility. This change will incorporate a new gantry-type angiography system that requires additional supports in the ceiling as well as a new control room and utility modifications.

Approval of this action will allow the contractor to make the necessary changes in order to incorporate the selected equipment. Cost negotiation of this change with MCH has not been finalized. We estimate that the total cost will not exceed \$210,000 with no delay to the project completion date. However, if the final value of the change order exceeds the cost estimate, we will return to your Board for approval. Public Works issued a proceed order in the amount of \$15,000 for a portion of this work to avoid delay impact, the value of which is included in the recommended \$210,000.

REASON AND SCOPE - RECOMMENDATION 7

Unforeseen condition	<input type="checkbox"/>	Regulatory agency requirement	<input type="checkbox"/>
Drawing coordination	<input type="checkbox"/>	Previously approved scope change	<input type="checkbox"/>
Errors and omissions	<input checked="" type="checkbox"/>		

A reverse osmosis water filtration system was not shown on the construction drawings and specifications for the Diagnostic and Treatment building. The water system is needed to provide pure water for the equipment in the Central Sterile Department. Additionally, a revision is required to the deionized water system and its associated piping for the analyzers in the Core Laboratory to function properly. This is due to an incorrect specification of water purity and volume for the new system.

Approving this action will provide for the required pure water and reverse osmosis water system within the Diagnostic and Treatment building. Cost negotiations with MCH have not been finalized. We estimate that the total cost will not exceed \$610,000 with no delay to the project completion date. However, if the final value of the change order exceeds the cost estimate, we will return to your Board for approval. Public Works issued a proceed order in the amount of \$150,000 for a portion of this work to avoid delay impact, the value of which is included in the recommended \$610,000.

We have reviewed each of the above recommendations as well as the potential cost impact with the Project Advisory Committee. These change orders are considered to be within the scope of the project.

CONTINGENCY BUDGET SUMMARY

CHANGE SUMMARY					
Contingency Budget	Executed Change Orders	Board-approved Changes Pending Execution	Impact of These Actions	Remaining Contingency Budget	Percentage Remaining
\$55,979,027	\$41,673,589	\$5,936,225	\$3,377,000	\$4,992,213	8.92%

Notes:

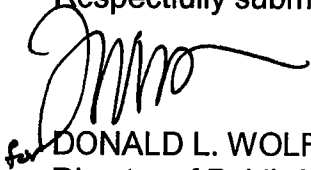
1. The executed change order amount shown above reflects executed changes as of February 1, 2006.
2. The aggregate value of executed construction change orders does not include the value of potential changes currently under review. The merit and scope of each issue must first be evaluated and then the value negotiated. The combined value of these issues, as quoted by the contractor, and including the amounts requested in this Board letter, could be as high as \$27,637,672. However, Public Works historically settles quotes from the contractor at less than 60 percent of the quoted value. Therefore, the anticipated value of the open issues is approximately \$16,582,603. When added to the \$41,673,589 of change orders executed and pending through February 1, 2006, there is an estimated total potential change exposure of \$58,256,192 against the \$55,979,027 Board-approved contingency. Public Works and the Chief Administrative Office are reviewing current cost trends and the need for possible supplemental contingency funding. We intend to present our findings and recommendations to your Board in the near future.

The Honorable Board of Supervisors
February 9, 2006
Page 8

CONCLUSION

Please return an adopted copy of this letter to the Chief Administrative Office (Capital Projects Division) and Public Works.

Respectfully submitted,



DONALD L. WOLFE
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

PDW

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cc: County Counsel
Department of Health Services (Fred Leaf, Azar Kattan)
Project Advisory Committee (A. Redmond Doms, Jerry Epstein, Nick Patsaouras)